



State Historical Society of Wisconsin

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December 28, 1998

The Honorable Brian Burke
Wisconsin Senate
316 South, State Capitol
P. . Box 7882
Madison, WI 53707-7882

Dear Senator Burke:

Pursuant to statute, I am forwarding a report on the condition of the Historic Sites Program of the State Historical Society of Wisconsin. The report covers the fiscal year ending June 30, 1998 or Fiscal Year 1998.

Sincerely,

David L. Pamperin
Director
Division of Historic Sites

DLP:cm
Enclosure
12899-6

cc: Senator Russell Decker, Vice Chair, JCF
Senator Robert Jauch
Senator Kevin Shibilski
Senator Gwendolynne Moore
Senator Kimberly Plache
Senator Robert Cowles
Senator Mary Panzer
Dr. George L. Vogt, Director, SHSW

Report to the Joint Committee on Finance
State Historical Society of Wisconsin
Division of Historic Sites
Results and Conditions for FY 98
December, 1998

Introduction

The State Historical Society of Wisconsin owns and operates seven historic sites. The Society also owns Circus World Museum, in Baraboo, managed by the Historic Sites Foundation, Inc. under a lease-management contract. This report addresses the following seven historic sites; and cites several accomplishments and some issues for which we continue to seek solutions.

<u>Historic Sites</u>	<u>Location</u>
First Capitol	Belmont
Madeline Island Historical Museum	La Pointe
Old World Wisconsin	Eagle
Pendarvis	Mineral Point
Stonefield	Cassville
Villa Louis	Prairie du Chien
Wade House and Wesley Jung Carriage Museum	Greenbush

- ◆ More than 55 percent of the operational funding for the historic sites comes from non-GPR sources.
- ◆ Total attendance increased very slightly in FY 98 over FY 97 levels.
- ◆ Historic sites financial condition remains reliant on annual attendance revenue and thus is unstable.
- ◆ Historic sites rely heavily on over 400 seasonal employees (LTEs) to perform basic operation functions.
- ◆ The starting hourly wage for the majority of LTEs is only \$5.19 per hour, a wage which proved inadequate in attracting and retaining the workforce necessary for meeting operational needs.
- ◆ The historic sites continue to struggle with insufficient positions and inadequate supply budgets to maintain and care for the historic properties and collections.
- ◆ The historic sites served as a statewide platform for Sesquicentennial programs to Wisconsinites and non-Wisconsinites alike.
- ◆ Promotion included a special partnership with radio stations throughout Wisconsin resulting in more than \$500,000 worth of free radio station programming.
- ◆ The historic sites raised funds from the private sector to develop initiatives and accomplish complex projects; but the sites were unable to attract private sector support for operations.
- ◆ The historic sites took advantage of advances in information technology to catalog historic artifacts housed at the sites.

Revenues and Expenditures

A. Background

In FY 98, four of the seven historic sites opened to the public daily during a six-month season from May 1 through October 31: Old World Wisconsin, Pendarvis, Villa Louis and Wade House and Wesley Jung Carriage Museum. The other sites, First Capitol, Madeline Island Historical Museum and Stonefield, opened daily Memorial Day weekend through the first week of October. Old World Wisconsin, Stonefield and Wade House and Wesley Jung Carriage Museum opened on a limited basis for special holiday events in November and/or December.

Funding to operate the historic sites primarily comes from two major sources -- general purpose revenues (GPR) and program revenues (PRO). During FY 98 a majority (53.4%) of operation expenditures for the historic sites came from PRO. The historic sites program generates PRO primarily from admission fees and museum store operations. It also earns revenues to support operations from transportation services at two sites and from the Clausen Barn restaurant at Old World Wisconsin. (Madeline Island Historical Museum operations receive funding from segregated revenues (SEG) through a restricted endowment.) Although the historic sites earn PRO funds mostly during the operating season, the PRO funds are expended during the entire fiscal year.

FY 98 Operating Revenue

<u>GPR</u>	<u>PRO</u>	<u>SEG</u>	<u>TOTAL</u>
\$1,346,504 (42.4%)	\$1,697,408 (53.4%)	\$133,936 (4.2%)	\$3,177,848 (100%)

FY 98 Admission Fees*

	<u>Adult</u>	<u>Child</u>
Old World Wisconsin	\$9.50	\$4.50
Villa Louis	7.25	3.00
Wade House	6.75	3.50
Stonefield	6.50	3.00
Pendarvis	6.50	2.70
Madeline Island	4.50	2.00
First Capitol	No admission fee	

*During the season, the historic sites also market a \$50 family pass for free admission to all of the historic sites.

B. Attendance

Attendance at the historic sites owned and operated by the Society continues to fluctuate. Historically, the attendance is influenced by factors including weather, road construction, fuel

prices, the cost of admission, and the overall economy. In FY 98, attendance at the historic site remained steady despite a proliferation of popular community sponsored sesquicentennial public programs throughout Wisconsin. Overall, total attendance at the historic sites increased by 1.1 percent in FY 98 over attendance in FY 97.

FY 97/98 Total Attendance

Site	FY 97 Total Attendance	FY 98 Total Attendance	Change from FY 97-FY 98
Madeline Island	18,597	17,005	- 8.6%
Old World Wisconsin	126,246	126,681	+ 0.3%
Pendarvis	12,315	11,399	- 7.4%
Stonefield	10,927	9,914	- 8.7%
Villa Louis	17,648	23,993	+36.0%*
Wade House	<u>28,451</u>	<u>27,448</u>	<u>- 3.5%</u>
Total	214,184	216,616	+ 1.1%

* Villa Louis was closed during May and June, 1997, as part of phase I renovation of the historic site; but open the entire sites season in FY 98 including May and June.

The historic sites continued to explore pro-active ways of finding new audiences and increasing admission fee generated PRO in FY 98. Capitalizing on the state's sesquicentennial anniversary, the historic sites expanded public programs with some dramatic initiatives including: Wisconsin's "kick-off" event for the state sesquicentennial on January 14, 1998 with the Wisconsin Assembly's session at First Capitol, Belmont; completion of Villa Louis 1898 interior renovation and restoration (phase I); and creation of Old World Wisconsin's first African-American exhibit Pleasant Ridge (which culminated in public dedication September 26, 1998).

C. Financial condition

The historic sites operations continued the trend towards increased dependence on PRO revenues for sites operations. In FY 98, 57.6 percent of all historic sites expenditures were funded by PRO revenues and SEG funding. GPR funding supported 42.4 percent of all expenditures at the historic sites; this support ranged from 3 percent GPR funding for Madeline Island to 100 percent funding for First Capitol (where there is no admission fee).

In FY 98, GPR supported 35.1 percent of expenditures at the largest state historic site, Old World Wisconsin. The remaining 64.9 percent of Old World expenditures were funded from PRO revenues collected thru admission fees (45.5%), auxiliary services including the Clausing Barn restaurant (32.8%), museum store sales (14.7%), transportation services (5%), and miscellaneous revenues (1%). By comparison, Madeline Island relies on SEG funding for 61.7 percent of its expenditures.

Because the funding for historic sites operations relies so heavily on PRO, the historic sites

financial condition remains extremely dependent on site attendance. The historic sites continued to remain pro-active in improving the overall visitor experience to increase the understanding of the past. To maintain and increase the site audiences, the historic sites used the state's anniversary to position effective promotion strategies and invest in research to develop new sesquicentennial related programming programs and interpretive strategies.

D. PRO revenues and expenditures

While revenues from attendance and auxiliary services have increased in FY 98, costs of operations have also increased. PRO revenues continue to fund increased charge backs levied by general government operations, increased program costs due to inflation and significantly increased labor costs.

In 1996, seeking to achieve greater financial stability, the Society's governing board of Curators approved an increased admission fee plan for the historic sites effective January, 1997. Additional PRO from increased admissions fees was necessitated by the sites' inability to remain competitive for minimum-wage seasonal employees qualified to serve as sites interpreters and guides. The anticipated positive effect of the additional PRO income from the scheduled admission fee increases was diminished with the rapid succession of *two minimum wage hikes* in October 1996 (\$4.75) and September, 1997 (\$5.15), resulting in a 21 percent increase in the minimum wage.

FY 97/98 PRO REVENUES

Site	FY 97 PRO Revenues	FY 98 PRO Revenues	Change from FY 97-FY 98
Madeline Island	\$ 81,368	\$ 93,949	+ 15.5%
Old World Wisconsin	1,052,945	1,178,723	+ 11.9%
Pendarvis	88,183	85,087	- 3.5%
Stonefield	62,514	65,417	+ 4.6%
Villa Louis	109,205	147,331	+ 34.9%*
Wade House	<u>179,853</u>	<u>192,034</u>	<u>+ 6.8%</u>
Total	\$1,574,068	\$1,762,541	+ 12.0%

* Villa Louis was closed during May and June, 1997, as part of phase I renovation of the historic site; but open the entire sites season in FY 98 including May and June.

FY 97/98 PRO EXPENDITURES

Site	FY 97 PRO Expenditures	FY 98 PRO Expenditures	Change from FY 97-FY 98
Madeline Island	\$ 86,823	\$ 77,329	- 10.9%
Old World Wisconsin	1,057,776	1,161,419	+ 9.8%

Pendarvis	83,089	75,022	- 9.7%
Stonefield	82,707	68,623	- 17.0%
Villa Louis	122,451	132,600	+ 8.3%
Wade House	193,078	182,415	- 5.5%
Total	\$1,625,924	\$1,697,408	+ 4.4%

E. Seasonal LTE labor pool

Over 400 seasonal employees (LTEs) staff the historic sites. The stability of this work force is important because the historic sites must rely on them to deliver virtually all public services and programs to visitors during the historic sites season. Their hourly rate of pay during FY 98 ranged from \$5.19 to \$6 per hour; the majority of starting employees made \$5.19 an hour. With this modest salary range the historic sites found themselves increasingly disadvantaged when competing for seasonal employees in tight local labor markets. The historic sites were not able to attract a quality seasonal labor pool; and even this pool was diminished when college age employees returned to school in fall. As a result, some of the historic sites were forced to cancel public programs due to lack of qualified interpreters and guides, which in turn negatively impacted admission fee revenue.

Condition of the Historic Sites

The historic sites preserve and manage more than 100 historic structures and 150,000 artifacts that represent Wisconsin's cultural patrimony. Maintenance of about 90 non-historic structures, approximately 1,000 acres of land and 20 miles of roads and trails is necessary to support public use of these sites. To service these responsibilities, the Division of Historic Sites employed 29 FTEs and over 400 seasonal employees and hundreds of volunteers in FY 98.

A. Public/Private partnership

In FY 98, the historic sites continued to aggressively pursue public/private partnerships which brought commitments in excess of \$1.8 million in gifts and grants in FY 98. This included \$104,000 in state sesquicentennial funding for Old World Wisconsin, First Capitol and Wade House sesquicentennial public programs; \$125,000 in private support for Old World's Pleasant Ridge African-American exhibit; \$400,000 to complete phase I renovation of Villa Louis; and a pledge of \$1 million from the Kohler Trust for Preservation and the Kohler Company for the Robinson-Herrling Sawmill and Dam project at Wade House. In addition, volunteers contributed more than 30,000 volunteer hours to the historic sites in FY 98, worth an estimated \$150,000 in labor costs saved to the state of Wisconsin.

B. Promotion

The historic sites actively promote throughout Wisconsin. They rely more on the Department of Tourism for promotion directed at surrounding state markets. A small promotion budget (\$60,000) supports the publication of an all-sites brochure and smaller individual brochures for each site. Brochure distribution is also funded by the budget. Each site is a member of its local

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chamber of commerce and some are also members of area visitor and convention bureaus. Four of the sites actively participate in one of the state-designated heritage tourism corridors. Annually, the historic sites program develops and implements an overall marketing plan. Special events are featured to attract visitation on certain weekends. A communications plan results in print and broadcast media exposure locally, regionally, statewide, and nationwide.

The historic sites offer discounts and package rates to various audiences. These strategies serve the needs of disadvantaged audiences but also promote use of the site facilities at non-peak attendance times. Friends groups are an important historic sites asset and discounts are used to increase overall support through membership.

During the state Sesquicentennial, the sites created a strategy for promotional opportunities with Wisconsin radio stations which maximized the sites customary promotion plans. This strategy known as the "Wisconsin History Voyage" became a syndicated radio program throughout Wisconsin. Participating radio stations contributed more than \$500,000 in radio time to promote Wisconsin's historic sites.

C. Collections

The historic sites collect and manages significant cultural resources relating to the seven historic sites for the purposes of preservation, research and interpretation. Currently, the collections includes approximately 150,000 historic artifacts, and a smaller inventory of historic photographs, documents, manuscripts and books. The entire historic sites program has only two curator positions whose time is dedicated to collection care and management. In addition, the historic sites own and manage more than 100 of Wisconsin's most significant historic buildings, 60 of which are located at Old World Wisconsin with only two FTE maintenance positions to care for them.

Six of the historic sites have professional curatorial staff to manage these collections. Several gains were made in FY 98 to better manage these collections. The historic sites paired with the Society's Museum division to investigate and purchase a collections management software system to enhance their shared stewardship responsibilities for the Society's historic artifact collections; and three historic sites significantly improved collections storage

Both these initiatives were outcomes of the 1990 American Association of Museums report critical of the historic sites collection care practices which resulted in the loss of professional accreditation for some historic sites. In 1992, the Legislative Audit Bureau issued their report noting the historic sites lacked adequate resources for proper collection storage facilities and ongoing collection care programs, a problem self-evident to the historic sites managers.

These reports helped the historic sites refocus on developing a collections management plan in FY 92, and a comprehensive policy and procedures manual in FY 94. These provided direction for the historic sites to regain professional accreditation and meet proper care and management standards for the collections. In FY 96, the historic sites began developing a plan to create a database for information required to care for and manage their collections. In FY 98, the historic sites and museum divisions purchased Questor Open Edition collections software program. This

database will permit the Society to bring online over 400,000 Society historic artifacts managed by the historic sites and museum programs.

Also in FY 98, three historic sites improved their collections storage. Old World Wisconsin completed its collections storage building funded by State Building Commission monies. Private support for interior restoration at Villa Louis enable the historic site to create special climate controlled storage for Villa's valuable collections. And, private support at Wade House created special collections storage area within the Wesley Jung Carriage Museum.

While significant progress was made, the historic sites continue to struggle with insufficient positions and inadequate supply budgets to maintain the historic sites and care for the collections.

D. Interpretation

In FY 98, the historic sites were visited by over 216,000 including 50,000 school children. The historic sites sponsored more than 100 special events, re-enactments, workshops, and classes in addition to daily interpretive programs designed to meet the interests and needs of different segments of the population. To celebrate the state's anniversary, the historic sites launched some dramatic sesquicentennial programs designed to both attract visitors and to create a legacy of Wisconsin's anniversary experience.

On January 14, 1998, First Capitol historic site at Belmont hosted a Wisconsin Assembly session which celebrated the first legislative session in October, 1836. The Assembly conducted open session outside of Madison for the first time since statehood. The special session included participation of the Governor and former Supreme Court Justice Nathan Heffernan.

On June 13, 1998, the Society dedicated the first phase renovation of 1898 interior restoration at Villa Louis. The \$1 million first phase received major funding from the Jeffris Family Foundation of Janesville and the state of Wisconsin. The Villa's parlor, dining room, main and upstairs halls, master bedroom and nearby Dousman office building were renovated in the British Arts and Crafts decorative style. The restoration project used historical photographs and documents to recreate one of America's most authentically restored Victorian house museums. The Jeffris Family Foundation used the occasions of the dedication to pledge \$.5 million in support of the second phase renovation scheduled for 2001. In celebration of the June 13 dedication, the Villa Louis sponsored a free public open house for residents of Prairie du Chien. Over 3000 visitors toured the Villa Louis during the open house.

Old World Wisconsin marked the state's sesquicentennial with plans to create the historic sites first African-American exhibit Pleasant Ridge, a re-creation of the once-thriving African-American community in Grant County settled by former slaves. The site includes a replica of the Pleasant Ridge United Brethren Church plus restored chapel that originally stood in the community. The buildings overlook a re-created section of a cemetery containing 18 memorial gravestones that recall the lives and times of Pleasant Ridge residents. Funding for the Pleasant Ridge project came from the Wisconsin Sesquicentennial Commission, the Friends of Old World Wisconsin and numerous private donors. Pleasant Ridge was subsequently completed and dedicated on September 26, 1998.